



# U.S. Small Business Administration Disaster Assistance Loans

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Emergency Management Division  
Washington Military Department

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## General Criteria

When the President declares a major disaster, the U.S. Small Business Administration (SBA) makes its low-interest loan programs available to repair or replace private property owned by individuals, businesses and private non-profit organizations that have suffered damages. Flood insurance is required for businesses or homes in a designated special flood hazard area. SBA disaster loans are a critical source of economic assistance in disaster-ravaged communities, helping to spur employment and stabilize tax bases.

Upon the request of the Governor to the SBA, the following may be available when sudden events cause severe physical damage or substantial economic impacts.

SBA makes a physical disaster declaration based on one of the following:

- At least 25 homes or 25 businesses (or combination) have uninsured losses of 40 percent or more of the estimated fair replacement value or predisaster fair market value, whichever is lower.
- At least three businesses each sustaining uninsured losses of 40 percent or more of the estimated fair replacement value or predisaster fair market value, whichever is lower, and causes 25 percent or more of the work force in their community to be unemployed for at least 90 days.

If the Secretary of Agriculture determines that a natural disaster has occurred or when at least five small businesses in a disaster area, identified by county or other political subdivision, have suffered substantial economic injury and require reasonable financial assistance as the result of the disaster, SBA also makes an economic injury disaster declaration.

The Washington Military Department, Emergency Management Division (EMD), works with the affected county emergency management office to prepare documentation for the Governor's request. Each disaster declaration defines the geographical areas affected. Disaster declarations issued by the Administrator of SBA include contiguous counties or other political subdivision for both physical and economic injury assistance.

**Physical  
Disaster Loans**

**Businesses and Private, Non-Profit Organizations**

Businesses of any size and private, non-profit organizations may request an application for a low-interest Physical Disaster Loan (up to \$1,500,000) by telephone immediately after the presidential declaration. SBA loan officers also will be available at Disaster Field Offices and Disaster Recovery Centers to provide one-on-one assistance. SBA disaster loans are available to repair or replace destroyed or damaged business facilities, inventory, machinery and equipment, and other assets not fully covered by insurance.

**Individuals, Families and Non-farm Businesses**

Physical Disaster Loans are a primary source of funding for permanent rebuilding and replacement of uninsured disaster damages to privately-owned real and/or personal property. These loans are available to homeowners, renters, nonfarm businesses of all sizes and non-profit organizations. Loans for personal property include clothing, furniture and automobiles; real property loans are for repairing or restoring a home to its predisaster condition, in compliance with current building codes or to prevent possible future disasters of the same kind from occurring.

**Economic Injury  
Disaster Loans**

Economic Injury Disaster Loans provide necessary working capital until normal operations resume after a disaster. These loans are for small businesses and small agricultural cooperatives when unable to obtain credit elsewhere. In major disasters, victims in contiguous counties may be eligible for loans as well.

**Contact**

For more information, please contact John Vollmer, Human Services Manager at (253) 512-7076, or e-mail [j.vollmer@emd.wa.gov](mailto:j.vollmer@emd.wa.gov).